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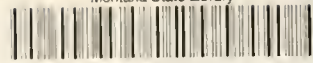
ANNUAL REPORT
OF THE
DEPARTMENT OF PUBLIC SERVICE REGULATION
PUBLIC SERVICE COMMISSION

TO THE
GOVERNOR OF MONTANA
HONORABLE FORREST H. ANDERSON

FOR THE
FISCAL YEAR ENDED
JUNE 30, 1972

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Public Service Commission
OF THE STATE OF MONTANA

1227 11TH AVE.

HELENA

MEMBERS

ERNEST C. STEEL, CHAIRMAN
LOUIS G. BOEDECKER
ALFRED C. LANGLEY

ADDRESS ALL COMMUNICATIONS
TO THE COMMISSION

The Honorable Forrest H. Anderson
Governor of the State of Montana
State Capitol Building
Helena, Montana 59601

Dear Governor Anderson:

In accordance with the requirement of Section 82-4002, R.C.M. 1947, we are herewith submitting the report of the Department of Public Service Regulation of the Public Service Commission for the fiscal year ended June 30, 1972.

Major accomplishments during the year included:

Carried out the newly instituted natural gas pipeline safety procedures.

Commercial livestock haulers have registered their authority to operate under Commission jurisdiction.

Certificated by the Federal Price Commission.

Changed procedures to conform to Public Law 89-170.

Respectfully submitted,

A handwritten signature in cursive script that reads "Ernest C. Steel".

ERNEST C. STEEL
Chairman

ECS/mc



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PRINCIPAL OFFICES AND OFFICERS

DEPARTMENT OF PUBLIC SERVICE REGULATION
PUBLIC SERVICE COMMISSION

OFFICER TERM OF OFFICE	HOME ADDRESS
ERNEST C. STEEL, CHAIRMAN 1969-1975	416 Raymond Helena, Montana
LOUIS G. BOEDECKER, COMMISSIONER 1967-1973	221 Adams Helena, Montana
ALFRED C. LANGLEY, COMMISSIONER 1971-1977	315 N. 6th Livingston, Montana
PATRICIA SHEEHAN, SECRETARY	1600 Flowerre Helena, Montana

PRINCIPAL ADMINISTRATIVE OFFICERS

WILLIAM E. O'LEARY, ADMINISTRATOR, LEGAL DIVISION
FRANCIS G. FISHER, ADMINISTRATOR, TRANSPORTATION DIVISION
WILLIAM M. JOHNSON, ADMINISTRATOR, UTILITY DIVISION

PRINCIPAL OFFICE

1227 11th AVENUE
HELENA, MONTANA

LEGAL REFERENCES

The statutory authorizations for the activities of the Department of Public Service Regulation and Public Service Commission of the State of Montana are as follows:

Under Section 82A-1701, R.C.M. 1947, The Department of Public Service Regulation was created.

Railroad Commission Act
1907
Title 72, Chapter 1
Revised and Amended

General supervision, control and regulation of rates, fares, charges, service facilities and safety regulations relating to transportation by rail.

Public Service Commission
1913
Title 70, Chapter 1
Revised and Amended
(The Board of Railroad Commissioners was designated ex-officio Public Service Commission)

Supervision, regulation and control over all public utilities, including municipally owned utilities, furnishing water, electricity, gas heat, power, telephone or telegraph service. Regulation includes all matters relating to rates, services and facilities.

Common Carrier Pipe Lines
1921
Title 8, Chapter 2
Revised and Amended

Supervision of rates, charges, services and facilities of common carriers of petroleum and petroleum products by pipe line.

Electrical Construction
1917
Title 24, Chapter 1
Revised and Amended

Supervision and enforcement of laws and regulations relating to overhead construction of electrical construction.

Motor Carrier Act
1923, Revised and Amended
Title 8, Chapter 1

Creation, service, regulation and control over "for-hire" motor vehicles operating upon the public highways of the State of Montana, with certain exceptions.

VHF Booster and Translator
Television Systems
1959
Title 70, Chapter 26

Authorizing the licensing and use of VHF Booster and Translator Television Systems.

Public Utilities Securities Act
1961
Title 70, Chapter 1

Necessity of every electric or gas public utility must obtain approval of Board for issuance of certain securities.

PRINCIPAL GOALS

The Department of Public Service Regulation of the Public Service Commission is responsible for regulating rates and services of the railroads, motor carriers, pipelines and public utility companies subject to its jurisdiction.

Its major goal is to assure the consumer of safe and adequate transportation and utility services at just and reasonable rates.

MAJOR ACCOMPLISHMENTS SUMMARIZED

<u>PRIORITY</u>	<u>DESCRIPTION</u>	<u>PROGRAM</u>
1.	Natural Gas Safety Program	Department of Public Service Regulation
2.	Livestock Haulers Regulation	Department of Public Service Regulation
3.	Certificated by the Federal Price Commission	Department of Public Service Regulation
4.	Conforming to Public Law 89-170	Department of Public Service Regulation

MAJOR ACCOMPLISHMENTS DESCRIBED

1. All natural gas systems are complying with the rules and regulations that the Commission adopted from the D.O.T. Office of Pipeline Safety.
2. Commercial livestock haulers have registered their authority and are complying with the rules and regulation of the Commission.
3. It is the purpose of the Commission's Rules of Procedure pertaining to the Price Commission to codify the Commission's standards for evaluating filings for rate increases in relation to the regulations of the Federal Price Commission issued under the authority of the Economic Stabilization Act of 1970, subject to such exemptions as may be issued from time to time by the Cost of Living Council.
4. The Commission abolished the metal plates for each "for hire" vehicle and adopted the use of stamps affixed to uniform cab cards with assessed fee of \$5.00. Commencing January 1972, all "for hire" motor carriers will operate on a calendar year basis.

PROGRAM DESCRIPTION

PROGRAM - DEPARTMENT OF PUBLIC SERVICE REGULATION

GOAL

To assure the consumer of safe and adequate transportation and utility services at just and reasonable rates.

OBJECTIVES

To maintain and improve freight, transportation and utility services through public hearings, staff investigations, audits, inspections and handling consumer complaints.

ACHIEVEMENTS

In spite of increased work load, with the addition of only one staff member, all hearings, inspections, investigations, audits and consumer complaints were kept reasonably current.

PERFORMANCE INDICATORS

.....Fiscal Year.....

	<u>1970-71</u>	<u>1971-72</u>
Cost	\$ 266,194	\$ 364,405
<u>Performance:</u>		
Collections	\$ 883,605	\$ 1,001,820
Plant Value of Utilities		
Regulated	\$689,073,000	\$725,747,816
Gross Revenue of Utilities		
Regulated	\$169,880,000	\$176,775,942
Orders Issued	228	166
Hearings Conducted	92	67
Applications for Certificates	173	416*
Certificates Issued	34	364*
Certificates Transferred	108	174
Show Cause Orders Issued	117	103
Certificates Revoked	32	42
Permits Issued (Interstate)	119	113
Motor Carriers Having Authority	992	1,271
MRC Plates Issued	20,631	17,966**
PSC Identification Stamps Issued		32,564**

* The substantial increase is due to the commercial livestock haulers registering for their initial authority.

** MRC Plates issued from July 1, 1971 to January 5, 1972.

Vehicle Identification Stamps issued from January 6, 1972 to June 30, 1972.

PERFORMANCE INDICATORS (Cont'd)

.....Fiscal Year

1970-71

1971-72

Miles of Intrastate Natural Gas

Transmission Lines

2,755

Number of Natural Gas Services

158,565

Number of Cities and Towns

Served by Natural Gas

134

Inspections made 1972

40

Items of non-compliance found

27

Items of non-compliance corrected

20

The Natural Gas Pipeline Safety Program is new, so we would not have a comparison for Fiscal Year 1970-71.

PROGRAM COST SUMMARY

<u>PROGRAM</u>	<u>FISCAL YEAR COSTS</u>		Increase (Decrease)
	<u>1971-72</u>	<u>1970-71</u>	
Department of Public Service Regulation	\$364,405	\$266,194	\$ 98,211
Personal Services	\$240,906	\$198,164	\$ 42,742
Operating Expenses	\$116,385	\$ 60,896	\$ 55,489
Equipment	\$ 7,114	\$ 7,134	\$ (20)
Total by Category	\$364,405	\$266,194	\$ 98,211
General Fund	\$354,231	\$266,194	\$ 88,037
D.O.T. Office Pipeline Safety	\$ 10,174	\$ 00	\$ 10,174
Total Funding	\$364,405	\$266,194	\$ 98,211

